

Contract terms

Except for COD customers who pay at the time of delivery, contracts for heating fuel **must** be in writing and the terms and conditions must be clear. Carefully read all of the terms and conditions of the contract before signing it. Keep for your records a copy of the contract and any of the company's solicitations or advertisements that came with the offer.

The terms of the contract must include, at a minimum, the items listed below. Before agreeing to enter into any fuel contract, plan, or agreement, be sure that you have the following in writing and signed by the dealer:

- the fixed price or cap price per gallon
- the start and end dates of the contract
- the amount of any prepayment required
- default terms
- any steps the dealer has taken to make sure that a sufficient amount of oil will be available to cover all of his or her price protection contracts

Important for you to know! Connecticut recently instituted more protection for consumers who are entering into pre-paid fuel contracts. Fuel contractors who offer pre-paid fuel contracts must demonstrate upon request that they have pre-purchased the fuel that they are pre-selling to consumers, or have obtained a bond against their sales.

Department of Consumer Protection 165 Capitol Avenue, Hartford, CT 06106 1.860.713.6110 www.ct.gov/dcp

Finally, before locking into a contract, be sure to ask the home heating oil dealer if it is registered with the Department of Consumer Protection (DCP) and obtain the company's registration number. Then contact the Department of Consumer Protection at (860) 713-6160 to confirm that the dealer is validly registered, and determine if any complaints have been filed against the company. In addition, you may wish to contact the Better Business Bureau and Office of the Attorney General to determine whether complaints have been made there.

How to get help if your contract is not being honored

If you believe that a fuel dealer is not honoring a contract or is otherwise engaging in unfair or deceptive conduct, please call the Department of Consumer Protection at (860)713-6160.

When necessary, the Department has brought enforcement actions to ensure that dealers honor their price protection contracts, and will continue to do so as necessary to protect the interests of consumers.

DEPARTMENT OF CONSUMER PROTECTION

Fact Sheet

HEATING FUEL CONTRACTS



***What You Should Know
....Before You Sign***



M. Jodi Rell
GOVERNOR

Edwin R. Rodriguez
COMMISSIONER

Choosing a home heating fuel company for next winter and beyond should not be a last-minute decision. If you already have an established relationship with a home heating fuel supplier whom you trust, you probably have few concerns. But if you are planning to sign on for the first time with a different fuel company, you may want to be a little more careful, especially if the company is new to the business or has been recently bought out.

It's a good idea to be home when the first fuel delivery is made. You should ask to see the meter on the delivery truck. The meter should be tested and sealed by a weights and measures official. As a consumer, you have the right to look at the truck's meter, just as you would when you pump gasoline at a gas station.

Once the heating fuel has been pumped into your home's tank, the delivery person must give you a delivery ticket, which contains the price per gallon, the total number of gallons delivered, and the amount of any delivery surcharge. These items should be printed in a conspicuous place on the ticket. If you compare your ticket to the truck's meter, the total number of gallons on the meter register should agree with the gallons printed on your ticket.

Heating Fuel Plans and Contracts

Some heating fuel dealers offer price protection programs in the form of "fixed price contracts" or "cap price contracts." Some dealers also offer "pre-buy programs" and "budget plans."

Know the difference between a fixed price contract, cap price contract and a budget-plan contract

Typically, in a "**fixed price contract**," you agree to pay a fixed price per gallon of oil or propane for the whole winter season. With a fixed price contract, the price you pay does not change, even if the "market" price for fuel goes up or down.

A "**cap price contract**" puts a ceiling on the top price per gallon that you will pay during the contract's term, while allowing you to pay a lower price per gallon when market prices drop below the cap price.

A "**budget plan contract**" usually requires a fixed monthly payment, regardless of the amount of oil or propane that you use during the contract period, which is usually one year. Fuel on a budget plan may be assessed at the market price on the actual day of delivery, or may be part of a cap or fixed price plan. A balance may exist at the end of the contract, either in your favor or the fuel dealer's.

You should be aware that heating oil dealers sometimes require a consumer to make an advance payment to qualify for participation in these price protection programs.

Pre-buy programs – handle with care

In a "pre-buy program," you and the fuel company make an agreement before the heating season on a price and amount of fuel that you will purchase for that season.

You will then pre-pay for that fuel, usually at an advantageous price.

You then have a claim on that amount of fuel for the time period of the contract and can expect that it will be delivered to you. On average, consumers see a reduction in overall fuel cost compared to paying market price for each delivery, but this is by no means assured. You may have a balance of heating fuel left at the end of the contract term, and subject to your contract, the supplier may have the option of either refunding you with cash or providing you with additional heating oil at current market prices. If the contract does not specify, a refund must be issued within thirty days of the end of your contract.

Shop around and ask questions before entering into any contract!

Don't let a company coerce you into signing a contract immediately. Shop around and ask questions.

Remember, the lowest price is not always the cheapest price for fuel. If you require prompt, dependable service, you might not get it from the lowest-cost fuel dealer. Invest reasonable time to research the best price and ask friends and neighbors what companies they use and trust.

In general, you should shop for a reputable and reliable heating oil dealer and, if possible, ask for customer references and check them!